

KPMG and REC, UK Report on Jobs: London

Permanent staff appointments rise for the first time in eight months

52.5

PERMANENT PLACEMENTS INDEX
MAR '25

46.6

TEMPORARY BILLINGS INDEX
MAR '25

The KPMG and REC, UK Report on Jobs: London is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in London.

Solid and fresh growth in permanent placements

Downturn in temp billings eases

Pay pressures intensify

Commenting on the latest survey results, Anna Purchas, London Office Senior Partner at KPMG UK, said:

"It's encouraging to see signs of recovery in London's recruitment market, with permanent placements picking up for the first time in eight months, bucking the trend seen across the UK. Meanwhile there are fewer roles available, but the rate of decline is slowing, suggesting businesses are beginning to regain confidence."

"Whilst the pool of available candidates is growing, competition for skilled talent is also intensifying, meaning employers are continuing to raise starting salaries to secure the right people."

"Confidence may still be fragile, but these green shoots point to the importance of the Capital as a flagbearer for the broader UK economy."

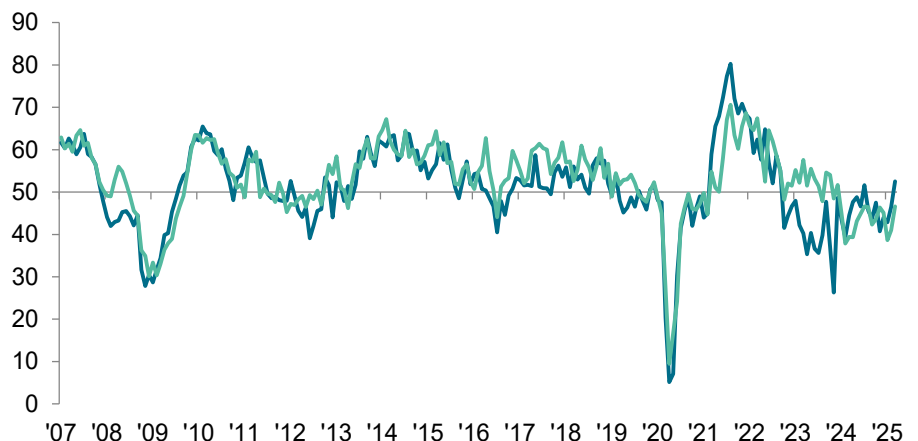
Neil Carberry, REC Chief Executive, said:

"Today's report shows that there were some signs of progress in the jobs market in March with permanent hiring in London ticking up a little and the downturn in temp billings received from employment of temps in London easing significantly, marking the slowest reduction in eight months. The rise in starting salaries in London was the strongest in eight months, too. Given the substantial effects of the Government's decision to increase payroll taxes hugely, these figures were if anything slightly better than expected and suggest that there is potential in the market. Nevertheless, activity in the UK jobs market has now been subdued for almost two and a half years."

"A cyclical hiring upturn was always likely in 2025, but the near-term prospects for this have been made all the more uncertain by the actions of the US Government in upending the global trade system. We cannot ignore the immediate and second-order effects of this context even if the UK is better positioned than many nations to weather the storm. Announcing support for the auto sector is one thing but the faster we have clarity on how the industrial strategy will support all sectors the more likely employer sentiment on hiring and investing will remain stable. And it is even more important now that the Government reconsiders the scale of rising costs of employment after this week's rise in National Insurance – a full review of the impact of the Employment Rights Bill, and changes to simplify compliance costs, would be welcomed by businesses across the country."

■ Permanent Placements Index
■ Temporary Billings Index

sa, >50 = growth since previous month

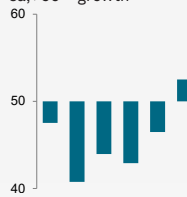


1 Staff appointments

Recruitment consultancies report on the number of people placed in permanent jobs each month, and their revenues (billings) received from placing people in temporary or contract positions at employers.

Permanent Placements Index

Oct '24 - Mar '25
sa, >50 = growth



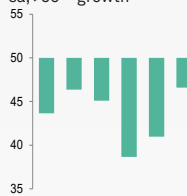
London records a fresh rise in permanent placements in March

In addition to July 2024, March was the only other time during the last 30 survey periods in which the seasonally adjusted Permanent Placements Index posted above the neutral mark of 50.0, thus indicating an increase in placements during the month. The latest uptick was solid and the strongest in the aforementioned sequence. The return to growth in permanent staff hires was driven by reports of increased candidate availability.

Additionally, London bucked the wider trend, whereas the other three monitored English regions experienced further declines in the number of permanent placements.

Temporary Billings Index

Oct '24 - Mar '25
sa, >50 = growth



Downturn in temp billings moderates notably

As has been the case in each month since January 2024, temporary billings in London declined during March, driven by reports of reduced demand for short-term workers and cost-cutting initiatives. Although still sharp, the rate of decrease eased significantly, marking the slowest reduction in eight months and one that was weaker than that observed at the UK level.

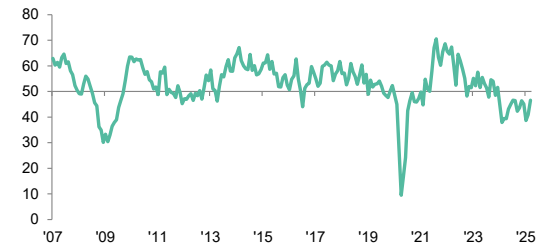
Permanent Placements Index

sa, >50 = growth since previous month



Temporary Billings Index

sa, >50 = growth since previous month



sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Oct-24	44.1	47.5	46.3	43.6
Nov-24	40.7	40.8	47.7	46.4
Dec-24	39.5	44.0	46.3	45.1
Jan-25	39.8	42.9	41.5	38.6
Feb-25	43.6	46.5	45.0	41.0
Mar-25	43.4	52.5	46.0	46.6

Job vacancies

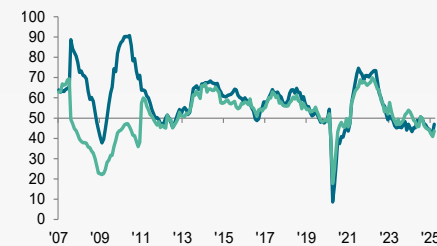
Permanent vacancies fell sharply across London in March. However, the respective seasonally adjusted index rose for the first time in eight months, and indicated the least marked deterioration in demand for permanent workers since last September.

Temp vacancies across the capital fell for a seventh straight month in March. The rate of decrease was the weakest in three months, but sharp overall.

Vacancies Index

■ Permanent
■ Temporary

sa, >50 = growth since previous month

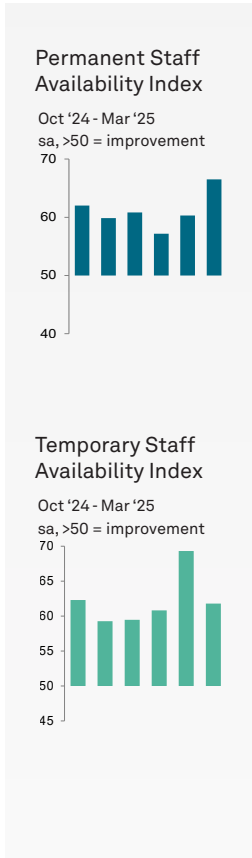


sa, >50 = growth since previous month

	Permanent		Temporary	
	UK	London	UK	London
Oct-24	46.1	46.6	46.6	45.2
Nov-24	43.8	45.1	46.2	44.7
Dec-24	42.7	44.5	45.4	44.1
Jan-25	41.5	43.0	43.3	42.3
Feb-25	41.7	42.9	43.5	40.9
Mar-25	44.1	46.9	45.2	43.8

2 Staff availability

Recruitment consultants are asked to report whether availability of permanent and temporary staff has changed on the previous month.



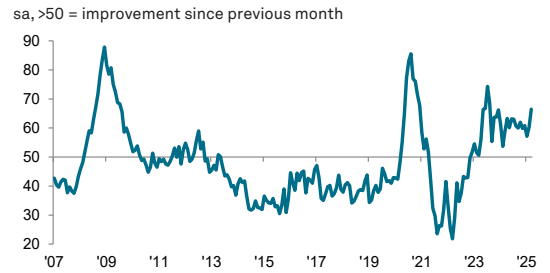
Notable uptick in permanent staff supply in March

Recruiters based in London recorded a marked rise in the availability of permanent workers during March. The rate of expansion quickened further from January's recent low to the fastest in 19 months and outpaced the UK-wide average. Panellists largely linked the uptick to redundancies.

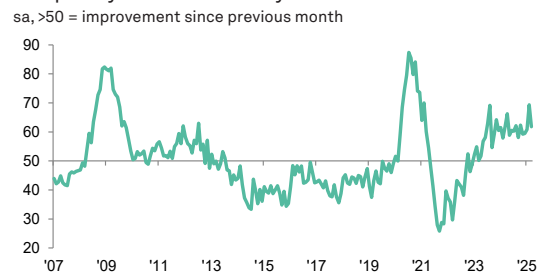
Temp staff supply growth cools

Latest data revealed a substantial rise in the supply of temporary workers available in London. The rate of expansion remained above the long-run survey average, although easing notably from the recent peak observed in February. Panel members indicated that reduced demand for temporary workers, coupled with more candidates seeking supplementary work, underpinned the latest increase.

Permanent Staff Availability Index



Temporary Staff Availability Index



sa, >50 = improvement since previous month

	Permanent		Temporary	
	UK	London	UK	London
Oct-24	59.1	62.0	61.3	62.3
Nov-24	59.8	59.9	59.4	59.3
Dec-24	60.7	60.8	59.5	59.5
Jan-25	57.7	57.2	58.1	60.8
Feb-25	59.2	60.3	59.6	69.3
Mar-25	63.2	66.5	60.2	61.8

3 Demand for skills

Skills in short supply: Permanent staff

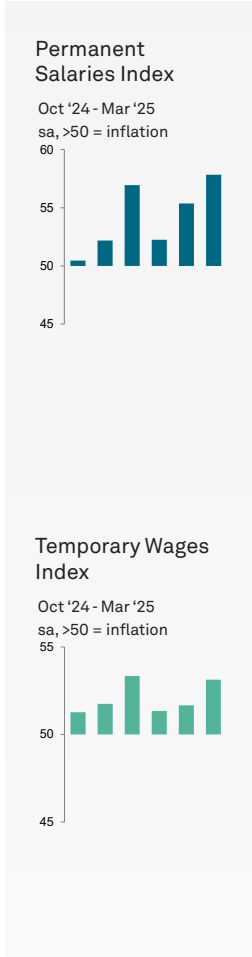
Accounting/Financial	Hotel & Catering	Sales
Accountants	Chefs	
Blue Collar	Hospitality	
Drivers	IT/Computing	
Construction	Digital	
Building Surveyors	Technical Roles	
Quantity Surveyors	Nursing/Medical/Care	
Site Foreman	Carers	
Engineering	Doctors	
Engineers	Medical	
Executive/Professional	Nurses	
Commercial Manager	Occupational Therapist	
Energy & Renewables	Paramedics	
Mid-Senior Management	Physiotherapist	
PR	Social Workers	
Real Estate	Other	
	Customer Service	
	Languages	

Skills in short supply: Temporary staff

Construction
Building Surveyors
Labourers
Plasterers
Engineering
Electrical Engineers
Marine Eng. Oil & Gas
Executive/Professional
Digital Marketing
Hotel & Catering
Chefs
IT & Computing
Media
Nursing/Medical/Care
Social Workers

4 Pay pressures

The recruitment industry survey tracks both the average salaries awarded to people placed in permanent jobs each month, as well as average hourly rates of pay for temp/contract staff.



Starting salaries rise at strongest pace in eight months

March data highlighted a sharp rise in starting salaries awarded to permanent new joiners across London, thereby extending the current run of salary inflation to over four years. The rate of increase was the fastest since July 2024. Anecdotal evidence suggested that the latest salary increase was due to the recruitment of more experienced positions and the necessity to attract the right candidates.

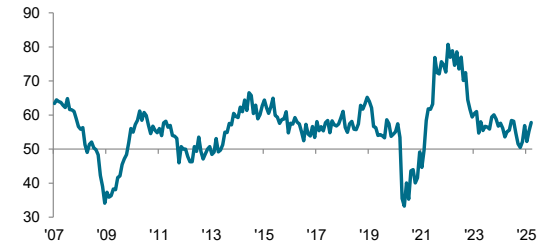
Moreover, of the four tracked English regions, London recorded the strongest rise in starting pay.

Temp pay growth quickens further

The seasonally adjusted Temporary Wages Index remained above the neutral 50.0 value in March, signalling an increase in hourly rates for short-term workers across London for a sixth straight month. The uptick was the strongest in the year-to-date and solid overall. According to anecdotal evidence, upwards pressure on pay stemmed from changes to government policy.

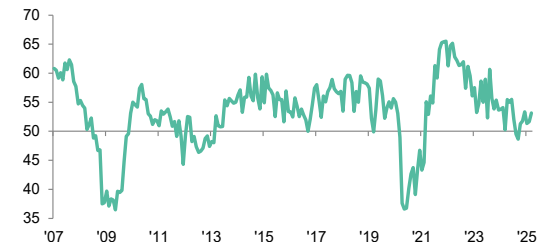
Permanent Salaries Index

sa, >50 = inflation since previous month



Temporary Wages Index

sa, >50 = inflation since previous month



sa, >50 = inflation since previous month

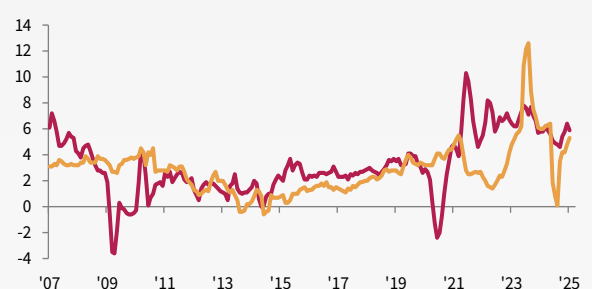
	Permanent		Temporary	
	UK	London	UK	London
Oct-24	52.5	50.5	51.5	51.3
Nov-24	52.6	52.2	51.2	51.8
Dec-24	53.1	56.9	51.6	53.3
Jan-25	52.6	52.2	50.5	51.3
Feb-25	52.1	55.4	51.1	51.7
Mar-25	53.3	57.8	51.6	53.1

Official data: UK average weekly earnings

Official data published by the ONS signalled that annual growth in average weekly earnings remained strong in the three months to January (5.8%). This was down slightly from the preceding three-month period, however, when pay rose at the strongest pace in over a year (6.1%).

Underlying data indicated that a softer increase in private sector pay (5.9%, from 6.4%) offset a faster rise in public sector earnings (5.3%, from 4.8%).

UK average weekly earnings ■ private ■ public %yr/yr, 3mma



Source: Office for National Statistics via S&P Global Market Intelligence.

5 Regional comparison

The KPMG and REC, UK Report on Jobs: London is one of four regional reports tracking labour market trends across England. Reports are also available for the South of England, the Midlands and the North of England.

Staff appointments

Permanent placements across the UK decreased at a slightly sharper rate at the end of the first quarter of 2025. Declines were recorded across three of the four monitored English regions, led by the North of England. London meanwhile saw permanent staff appointments rise for the first time since July 2024.

Recruiters also signalled a sustained fall in temporary billings during March, thereby extending the current sequence of contraction to nine months. The decline was solid, but the slowest in 2025 to date. All four monitored English regions saw temp billings decrease, with the North of England seeing the steepest pace of reduction.

Candidate availability

Amid lower demand for workers, recruiters across the UK indicated a robust increase in candidate availability in March. The rise in candidate numbers for permanent positions was the steepest recorded since December 2020 and well above the long-run series average. Marked increases in permanent labour supply were seen in each of the four monitored English regions, with the sharpest rise in the North of England.

A widespread increase in candidates seeking temporary positions was also signalled in March, with the sharpest upturn seen in the North of England. The UK as a whole posted a marked rise in temporary candidate availability that was the most pronounced for five months. The softest increase in temp staff availability was meanwhile seen in the Midlands.

Pay Pressures

As has been the case since March 2021, permanent starting salaries increased in the latest survey period. The pace of inflation quickened from February's four-year low and was the most marked in seven months. London posted the fastest rise in permanent pay, while there was a fall in starting salaries across the North of England for the second month in a row.

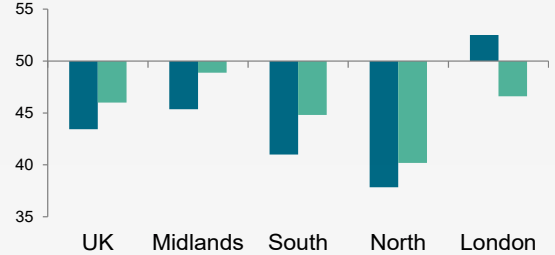
Temp wages also increased at a slightly quicker pace during March. Though modest, the rate of inflation was the joint-steepest in nine months. The strongest upturn in temp pay was registered in the Midlands, while the North of England saw the softest rise. In fact, it was the first time that wages had increased across all four monitored English regions since last October.

March 2025

■ Permanent
■ Temporary

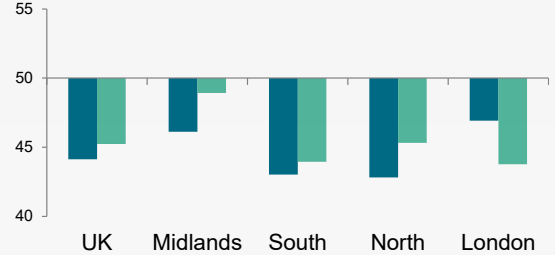
Staff Appointments

sa, >50 = growth since previous month



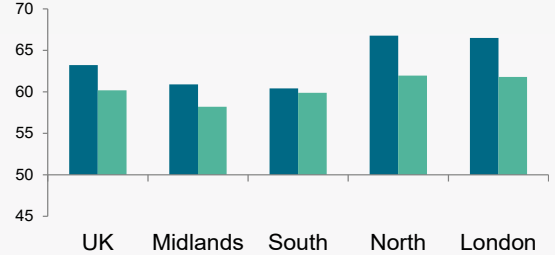
Vacancies

sa, >50 = growth since previous month



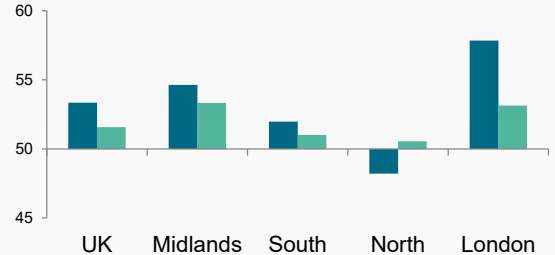
Staff Availability

sa, >50 = growth since previous month



Pay Pressures

sa, >50 = inflation since previous month



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Methodology

The KPMG and REC, UK Report on Jobs: London is compiled by S&P Global from responses to questionnaires sent to around 100 recruitment and employment consultancies in London.

Survey responses are collected in the second half of each month and indicate the direction of change compared to the previous month. A diffusion index is calculated for each survey variable. The index is the sum of the percentage of 'higher' responses and half the percentage of 'unchanged' responses. The indices vary between 0 and 100, with a reading above 50 indicating an overall increase compared to the previous month, and below 50 an overall decrease. The indices are then seasonally adjusted.

Underlying survey data are not revised after publication, but seasonal adjustment factors may be revised from time to time as appropriate which will affect the seasonally adjusted data series.

For further information on the survey methodology, please contact economics@spglobal.com.

Survey Dates

Data were collected 12-25 March 2025.

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